VZCZCXRO4246 RR RUEHAG RUEHAP RUEHCHI RUEHDE RUEHDF RUEHDT RUEHGI RUEHHM RUEHLZ RUEHMA RUEHMR RUEHPA RUEHPB RUEHRN DE RUEHHI #1562/01 2421736 ZNR UUUUU ZZH R 301736Z AUG 07 FM AMEMBASSY HANOI TO RUEHC/SECSTATE WASHDC 6229 INFO RUEHHM/AMCONSUL HO CHI MINH 3610 RUEHGV/USMISSION GENEVA 1196 RUEHZS/ASEAN REGIONAL FORUM COLLECTIVE RUCNWTO/WORLD TRADE ORGANIZATION COLLECTIVE RUEATRS/DEPT OF TREASURY WASHINGTON DC RUEHRC/DEPT OF AGRICULTURE WASHINGTON DC RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RUEAIIA/CIA WASHINGTON DC RHEHNSC/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS SECTION 01 OF 10 HANOI 001562

SIPDIS

SIPDIS

STATE PASS TO USTR (BISBEE, GLAUBER, BURST) USDA FOR DUS TERPSTRA USDA PASS TO FAS (OA, OCRA, ONA, OFSO) TREASURY FOR OASIA

E.O. 12958: N/A

TAGS: ETRD WTRO TBIO PINR SOCI VM USTR

SUBJECT: Vietnam Lowers Tariffs on Wide Range of Foods and Animal Feeds

HANOI 00001562 001.2 OF 010

- 11. On August 3, 2007 the Government Office of Vietnam issued directive No.18/2007/CT-TTg entitled Urgent Measures to Restrain Market Prices. The directive made significant reductions for a number of foods and animal feeds, most of which have seen significant price increases recently on the world market as agricultural prices in general have spiked. The directive termed the cut temporary, although no date for reinstatement of the old tariffs was given. The directive is aimed at restraining inflation, which has seen a sharp increase over the past year and which in this low-income country is particularly sensitive to food prices.
- 12. The tariffs cuts are significant (from 30 to 60 percent) and across a wide range of products. Some reductions, including those for chicken meat, certain beef cuts, corn and meat and bone meal, go significantly beyond final bound rate commitments that Vietnam was to phase in over the next five years as part of their recent WTO accession agreement. Because of higher prices, the new tariffs will be to an extent revenue neutral. Still the cuts indicate that government officials understand the value of lower import tariffs in sustaining economic development. It also shows an encouraging capacity to resist protectionist pressures in order to carry out sound economic policy. The tariff reductions should be beneficial to U.S. exports particularly in some key areas (chicken meat, beef, dairy) that have grown rapidly recently even with the higher tariffs.
- 13. Vietnam has shown in the past a willingness to permanently lower agricultural tariffs to support rapidly expanding domestic industries like textiles, livestock, aquaculture and furniture. Vietnam should be encouraged in its own interest to continue this trend toward more open markets by making this more consumer-oriented list of temporary cuts permanent and pursuing even further cuts.
- 14. The following table shows the reductions:

List of MFN Tariffs Reductions on Food and Feed Products (Decision No.69/2007/QD-BTC of August 3, 2007)
HS CodeDescriptionNew MFN Tariff
(%)Previous MFN Tariff

```
(%)0201Meat of bovine animal, fresh or chilled0201100000-
Carcasses and half carcasses12200201200000- Other cut with
bone in12200201300000- Boneless12200202Meat of
bovine animal, frozen0202100000- Carcasses and half
nimal, frozen
0202
10
0.0
00
- Carcasses and half
carcasses12200202200000- Other cut with bone
in12200202300000- Boneless12200203Meat of
swine, fresh, chilled or frozen- Fresh or
chilled0203110000- - Carcasses and half
carcasses20300203120000- - Hams, shoulders and cuts othereof,
with bone in20300203190000- - Others2030-
Frozen0203210000- - Carcasses and half
carcasses20300203220000- - Hams, shoulders and cuts othereof,
with bone in20300203290000-
Others20300206Editable offal of bonvine animals,
swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled
or frozen0206100000- Of bonvine animal, fresh or
chilled1015- Of bonvine animal, frozen0206210000-
tounges10150206220000- - livers10150206290000-
others10150206300000- of swine, fresh or chilled1015-
of swine, frozen0206410000- - Livers10150206490000- - Others10150206800000- Others, fresh or
30
00
00
- of swine, fresh or chilled
10
15
of swine, frozen
0206
41
HANOI 00001562 002.2 OF 010
00
00
- - Livers
10
15
0206
49
00
00
Others
10
15
0206
80
0.0
00
- Others, fresh or
chilled10100206900000- Others,
frozen10100207Meat and editable offal of poultry of
heading 01.05, fresh, chilled or frozen- Of fowls of the
species Gallus Domesticus:0207110000- - Not cut in pieces,
fresh or chilled12200207120000- - Not cut in pieces,
frozen12200207130000- - Cut and offals, fresh or
chilled1220020714- - Cut and offals, frozen0207141000-
- - Wings12200207142000- - - Thighs12200207143000- - -
Livers12200207149000- - - Others1220- of
Turkeys0207240000- - not cut in pieces, fresh or
chilled12200207250000- - not cut in pieces,
frozen12200207260000- - Cut and offal, fresh or
chilled1220020727- - Cut and offal, frozen0207271000-
- - Livers12200207279000- - - Others1220- of duck,
geese, or guinea fowls020732- - not cut in pieces, fresh or
chilled0207321000- - - of ducks12200207322000- - - of
s
12
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20
- of duck,
geese, or guinea fowls
0207
32
- - not cut in pieces, fresh or
chilled
0207
32
10
0.0
- - of ducks
12
2.0
0207
32
20
00
- - of
geese, guiea fowls1220020733- - not cut in pieces,
frozen0207331000- - - of ducks12200207332000- - - of
geese, guiea fowls12200207340000- - fatty livers, fresh or
chilled10150207350000- - others, fresh or
chilled1015020736- - others, frozen0207361000- - -
fatty livers10150207362000- - - of ducks, cut in
pieces10150207363000- - - of duck, geeses, guinea fowls, cut
in pieces10150401Milk and cream, not concentrated nor
containing added sugar or other sweetening matter 0401100000- of
fat content, by weight, not exceeding 1%10200401200000- of
fat content, by weight, exceeding 1% but not exceeding
6%10200401300000- of fat content, by weight, exceeding
6%10200402Milk and cream, concentrated or containing
added sugar or other sweeting matter040210- in powder, granules
or other solid forms, of a fat content, by weight, not exceeding
r sweeting matter
0402
10
- in powder, granules
or other solid forms, of a fat content, by weight, not exceeding
1.5% - - fit for human consumption0402101100 - - - Not
containing added sugar or other sweetening matter, in powder
HANOI 00001562 003.2 OF 010
form5100402101200- - not containing added sugar or other
sweetening matter, in other forms7150402101300- - - Others,
in powder form15300402101900- - Others, in other forms1530- - others0402102100- - Not containing
added sugar or other sweetening matter, in powder
form5100402102200- - not containing added sugar or other
sweetening matter, in other forms7150402102300- - - Others,
in powder form15300402102900- - - Others, in other
forms1530- In powder, granules or other solid forms, of a fat
content, by weight, not exceeding 1.5%040221- - Not containing
added sugar or other sweetening matter0402211000---in powder
form7150402219000- - in other forms715040229- -
Others0402291000- - in powder form15300402299000- -
00
- - - in other forms
7
15
0402
29
Others
0402
29
10
0.0
- - - in powder form
15
30
0402
29
90
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- in other forms1530- Others0402910000- - Not
containing added sugar or other sweetening
matter7150402990000- - Others15300403Butter
milk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing
added sugar or other sweetening matter or flavour or containing
added fruit, nuts or cocoa040310- Yogurt- - Containing
fruits,, nuts, cocoa or flavorin matter; liquid
yogurt.0403101100- - - in liquid form, including condensed form15300403101900- - - others1530- -
others0403109100- - - in condensed form15300403109900-
- - others1530040390- Others0403901000- -
Buttermilk15300403909000- - others15300404Whey,
whether or not concentrated or containing added sugar or other
sweetening matter, products consisting of natural milk constituents,
whether or not containing added sugar or other sweetening matter,
roducts consisting of natural milk constituents,
whether or not containing added sugar or other sweetening matter,
not elswhere specified or included040410- Whey and modified
whey, whether or not concentrated or containing added sugar or other
sweetening matter- Fit for human consumption0404101100-
- - Whey10200404101900- - Others1530- - fit for animal feeding0404109100- - Whey10200404109900-
others1530040490- Others0404901000- - concentrated,
sweetened with added preservative or in hermetically sealed
cans15300404909000- - others15300407Bird's
eggs, in shell, fresh, preserved or cooked- Other than for hatching
0407009100- - Hen's eggs
20400407009200- -
Duck's eggs20400407009900- -
others20400408Bird's eggs, not in shell, and egg
yolks, fresh, dried, cooked by steaming or by boiling in water, moulded, frozen or otherwise preserved, whether or not containing
added sugar or other sweetening matter- Egg
yolks0408110000- - dried12200408190000- -
eserved, whether or not containing
added sugar or other sweetening matter
Egg
yolks
0408
11
0.0
- - dried
HANOI 00001562 004.2 OF 010
12
20
0408
19
00
0.0
others1220- Others0408910000- -
dried12200408990000-
others12201005Corn1005100000-
seed00100590- others1005901000-
popcorn30301005909000- - others251104Cereal
grain otherwise worked (for example, hulled, rolled, flaked,
pearled, sliced or kibbled), except rice or heading 10.06; germ of
cereals, whole, rolled, flaked or ground- Rolled or flaked
grains1104120000- - of oats2020110419- - of other cereals1104191000- - - of corn10201104199000- - -
others2020- other worked grains (for example, hulled,
pearled, sliced or kibbled)1104220000- - of oats20201104230000- - of maize510110429- - of other cereals1104291000- - - Bulgar20201104299000- - -
others20201104300000- Germ of cereals, whole, rolled, flaked
or ground20201507Soybean oil and its fractions,
whether or not refined, but not chemically modified1507100000-
00
- Germ of cereals, whole, rolled, flaked
or ground
20
20
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1507
Soybean oil and its fractions,
whether or not refined, but not chemically modified
1507
10
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00
Crude oils, whether or not degummed25150790-
others1507901000- - refined oils20301507902000-
Fractions of unrefined soybean oils251507909000- -
others20301508Ground nut oils and its fractions,
whether or not refined, but not chemically modified1508100000-
Crude oils, whether or not degummed25150890-
others1508901000- - refined oils20301508902000- -
Fractions of unrefined ground-nut oils251508909000- -
others203015090live oil and its fractions, whether or
not refined by chemically not modified150910-
Virgin:1509101000- - in packing of net weight not exceeding 30 kg251509109000- - others25150990- others- -
refined oils1509901100- - in packing of net weight not
exceeding 30 kg20301509901900- - - others2030- ·
Fraction of un-refined oils1509902100- - in packing of net
weight not exceeding 30 kg251509902900- - - others25-
- - - others
20
30
Fraction of un-refined oils
1509
90
21
- - in packing of net
weight not exceeding 30 kg
1509
90
29
00
- - - others
2
5
- others1509909100- - in packing of net weight not exceeding
HANOI 00001562 005.2 OF 010
30 kg20301509909900- - - others203015100ther
oils and their fractions, obtained solely from olives, whether or
not refined, but not chemically modified, including blends of these
oils or fractions with oils or fractions of heading
15.091510001000- crude oils25-- others1510009100-
- refined oils20301510009200- - Fraction of un-refined
oils221510009900- - others20301511Palm oil and
its fractions, whether or not refined but not chemically
refined15111000- crude oils1511100010- - fractions of
un-refined oils251511100090- - others25151190-
others1511901000- - concentrated Palm stearin
20301511909000- - others20301512Sunflower-seed,
safflower or cotton seed oil and fractions thereof, whether or not
refined, but not chemically modified1512110000- - Crude
oil25151219- - others1512191000- - - Refined
ons thereof, whether or not
refined, but not chemically modified
1512
11
0.0
0.0
- - Crude
oil
1512
19
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1512
19
10
- - - Refined
oil20301512192000- - - Fractions of unrefined sunflower-seed
or safflower oil251512199000- - - others2030- Cotton
seed oil and its fractions1512210000- - Crude oil, whether or
not gossypol has been removed25151229- -
others1512291000- - - Refined oil20301512292000- - -
Fractions of unrefined cotton-see oil251512299000- - -
Others20301513Coconut (copra), palm kernel or babassu
oil and fractions thereof, whether or not refined, but not
chemically modified- Coconut (copra) oil and its
fractions1513110000- - Crude oil25151319- -
Others1513191000- - - Refined oil20301513192000- - -
Fractions of unrefined coconut oil251513199000- - -
others2030- Palm kernel or babassu oil and its
fractions1513210000- - Crude oil25151329-
others1513291000- - - Refined oil20301513292000- - -
Fractions of unrefined palm kernel oil and babassu oil
oil
2
1513
29
others
1513
29
10
0.0
- - - Refined oil
2.0
30
1513
29
20
00
Fractions of unrefined palm kernel oil and babassu oil
251513299000- - - others20301514Rape, colza or
mustard oil and fractions thereof, whether or not refined, but not
chemically modified- Low erucic acid rape or colza and its
fractions1514110000- - Crude oil25151419- - Others1514191000- - Refined oil551514192000- - -
Fractions of un-refined oil251514199000- - - others55-
others151491- - Crude oil1514911000- - - Rape or
colza oil and its fractions251514919000- - -
HANOI 00001562 006.2 OF 010
others25151499- - others1514991000- - - Refined
oil20301514992000- - - Fractions of unrefined oil25- -
- others1514999100- - - - Rape or colza oil and its
fractions20301514999900- - - -
Others203015150ther fixed vegetable fats and oils
(including jojoba oil) and their fractions, whether or not refined,
but not chemically modified- Linseed oil and its
fractions1515110000- - Crude oil251515190000- -
) and their fractions, whether or not refined,
but not chemically modified
- Linseed oil and its
fractions
1515
11
0.0
- - Crude oil
2
1515
19
00
00
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- - others

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Others1010- Corn oil and its fractions1515210000-
Crude oil25151529- - Others1515291000- - - Fractions
of un-refined corn oil251515299000- -
Others2040151530- Castor oil and its
fractions1515301000- - Crude oil251515309000- -
others1010151540- Tung oil and its
fractions1515401000- - Crude oil251515402000- -
Fractions of unrefined tung oil251515409000- -
others1010151550- Sesame oil and its
fractions1515501000- - Crude oil251515502000- -
Fractions of unrefined sesame oil251515509000- -
Others2050151590- Others- - Tengkawang
oil1515901100- - - Crude oil251515901200- - -
Fractions of unrefined oil251515901900- - -
Others2040- - Others1515909100- - - Crude
oil251515909200- - - Fractions of unrefined
oil251515909900- - - Others20301516Animal or
vegetable fats and oils and their fractions, partly or wholly
 - Crude
oil
1515
90
92
0.0
    - Fractions of unrefined
oil
2
1515
90
99
00
- - - Others
20
30
1516
Animal or
vegetable fats and oils and their fractions, partly or wholly
hydrogenated interesterified, but not further prepared151610-
Animal fats and oils and their fractions1516101000- - in
packing of 10 kg net weight or more20301516109000- -
Others2030151620- Animal fats and oils and their
fractions- - re-esterified fats and oils and their
fractions1516201100- - - of soybean20301516201200- - - of palm oil, crude2030- - - of palm oil, except
crude1516202100- - - in packing of a net weight not
exceeding 20 kg20301516202900- - - -
Others20301516203000- - - of coconut oil2030- - - of palm oil1516204100- - - Crude oil20301516204200- -
- Refined, bleached and deodorised (RBD)2030- - - Of palm
kernel olein1516205100- - - - Crude oil20301516205200-
HANOI 00001562 007.2 OF 010
- - Refined, bleached and deodorised (RBD)20301516206100- -
- of illipenut oil 20301516206900- - - Others2030-
Others1516207100- - - Hydrogenated fats in flakes, in
6
20
61
00
- of illipenut oil
2.0
30
1516
20
69
0.0
   - Others
2.0
30
Others
1516
```

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71
00
- - - Hydrogenated fats in flakes, in
packages of a net of weight of less than 10 kg20301516207200-
- - Hydrogenated fats in flakes, in packages of a net of weight of
10 kg or more20301516207300- - Hydrogenated castor oil (opal wax)20301516208100- - Of kernel stearin, crude oil
20301516208200- - - of palm kernel stearin , refined,
bleached and deodorised20301516208300- - - Other hydrogenaged
refined, bleached and deodorised palm kernel Olein and
stearin2030- - - Of palm kernel stearin of iodine value not
exceeding 48:1516208400- - - - Crude oil20301516208500-
- - Refined, bleached and deodorised (RBD)20301516208600- -
- - Others20301516209900- - -
others 20301517 \text{Margarin}, edible mixture or preparations
of animal or vegetable fat or oils or fractions of different fats or
oil of this chapter, other than edible fats or oils, or their
fractions of heading 15.161517100000- Margarin, excluding
 fats or oils, or their
fractions of heading 15.16
1517
10
00
00
- Margarin, excluding
liquid margarin1525151790- Others1517901000- -
Imitation ghee20401517902000- - Liquid
margarin20401517903000- - Mould release
preparation2040- - Imitation lard;
shortening:1517904100- - - Imitation lard of animal
origin20401517904200- - Imitation lard of vegetable origin20401517904300- - Shortening2040- - Mixtures
or preparations of vegetable fats or oils or of their
fractions1517905100- - - Mixtures or preparation in solid
form2040- - - Mixtures or preparation in liquid
form1517906100- - - in which groundnut oil predominates2040- - - in whch palm kernel oild
predominates1517907100- - - - crude
oil20401517907200- - - - other, in packing of net weight
not exceeding 20 kg20401517907900- - - -
Others20401517908100- - - in which palm kernel oil
predominates20401517908200- - - In which refined, bleached
2.0
40
1517
90
81
- - - in which palm kernel oil
predominates
20
40
1517
90
HANOI 00001562 008.2 OF 010
82
- - - - In which refined, bleached
and deodorised palm kernel oil predominates20401517908300- -
- - in which crude palm kernel tlein
predominates20401517908400- - - in which refined, bleached
and deodorised palm kernel olein predominates20401517908500-
- - - in which soybean oil or coconut oil
prodominate20401517908600- - - in which illipenut oil
predominates 20401517908900- - - -
Others20401517909000- - others20401901Malt
extract; food preparations of flour, groats, meal, starch or malt
extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elswhere
specified or included; food preparations of goods of heading 04.01
to 04.04, not containing cocoa or containing less than 5% by weight
of cocoa calculated on a totally defatted basis, not elsewhere
specified or included190110-Preparations for infant use, put up
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20

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for retail sale1901101000-- of malt extracts1530-- good
t up
for retail sale
1901
10
10
-- of malt extracts
15
30
   good
of headings 04.01 to 04.041901102100--- Medical nutritional
products7151901102900---Others15301901103000- - made
from soybean flour3040--others1901109100--- used for
lactase deficiency infants15301901109200--- other medical
nutritional products7151901109300--- others containing
cocoa25351901109900---others2540190120- Mixed and
doughs for the preparation of bakers wares of heading
19.051901201000-- of flour, groats, meal, starch or malt
extract, not containing cocoa25351901202000-- of flour,
groat, meal, starch or malt extract, containing
cocoa25351901203000-- others, not containing
cocoa25351901204000-- others, containing
cocoa2535190190- others -- Infant food, not put up for
retail sale1901901100--- goods of headings 04.01 to
04.0415301901901200--- for lactase deficiency
infants15301901901300---Other Medical
products7151901901900--- others25401901902000-- Malt
-- for lactase deficiency
infants
15
30
1901
90
13
00
---Other Medical
products
15
1901
90
19
00
--- others
25
40
1901
90
20
00
extracts1530-- others, of good of headings 04.01 to
04.04:1901903100--filled milk15301901903200--- medical
food 7151901903300--- others, not containing
cocoa15251901903400--- Others, containing cocoa
1525--Other soya base Preparations1901904100--- in
powder form 30401901904900--- in other form3040--
others1901905100--- medical food7151901905200---
HANOI 00001562 009.2 OF 010
others, not containing cocoa 25401901905300--- others,
containing cocoa25402202Water, including mineral
waters and aerated waters, containing added sugar or other
sweetenining matter of flavoured, and other non-alcoholic beverages, not including fruit or vegetable juice of heading
20.09220210Waters, including mineral waters and aerated waters,
containing added sugar or other sweetening matter of
flavoured2202101000 -- Sparkling mineral waters and aerated
waters, flavoured 40402202109000-- Others 4040220290-
202
10
10
00
-- Sparkling mineral waters and aerated
waters, flavoured
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40
2202
10
90
00
-- Others
40
40
2202
90
others 2202901000-- Flavoured UHT milk drink
20402202902000-- soya milk drink40402202903000-- Non-
aerated beverages ready for immediate consumption without
dilution40402202909000-- others40402301Flours,
meals and pellets, of meat or meat offal, of fish or of crustaceans,
mollucs or other aquatic invertabrates, unfit for human consumption;
greaves2301100000- Flours, meals and pellets, of meat or meat
offal; greaves.382301200000- Flours, meals and pellets, of
fish or of crustaceans, mollucs or other aquatic
invertabrates382302Bran, sharp and other residues,
whether or not in the form of pellets, derived from the sifting,
milling or other working of cereals or of leguminoius plan2302100000- of maize5102302200000- of paddy,
rice5102302300000- of wheat252302400000- of other
grain5102302500000- of leguminous
plants5102303Residues of starch manufacture and
- of other
grain
10
2302
50
00
00
- of leguminous
plants
10
2303
Residues of starch manufacture and
similar residues, beet-pulp, bagasse and other waste of sugar
manufacture, brewing or distilling dregs and waste, whether or not
in the form of pellets230310- Residues of starch manufacture
and similar residues2303101000-- of manioc (cassava) or
sago5102303109000-- others252303200000- Beet pupl,
bagassae and other waste of sugar manufacture5102303300000-
Brewing of distilling dregs and waste252307000000Wine
lees; argol5102309Prepared animal
fodders230910- Dog or cat food, put up for
retail2309101000- - Containing meat5102309109000- -
Others510230990- Others- - Complete
feed2309901100- - - for poultry5102309901200- - - for
pigs5102309901300- - - Praw feed5102309901900- - -
Others5102309902000- - Premixes, feed supplements and feed
additives252309903000- - Others, containing
meat5102309909000- - Others.25
MICHALAK
00
HANOI 00001562 010.2 OF 010
- - Premixes, feed supplements and feed
additives
2309
90
30
00
- - Others, containing
meat
5
10
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40

```
2309
90
90
00
- - Others.
2
```

 ${\tt MICHALAK}$